



## **TOWN OF HOPEDALE**

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### **Select Board**

Glenda A. Hazard, Chair  
Brian R. Keyes  
Bernard J. Stock

### **Town Administrator**

Jeff Nutting  
Interim Town Administrator

March 20, 2023

To: Select Board

From: Jeff Nutting, Interim TA

Subject: Proposed budget reductions and recommendation for an Override

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I wanted you to have this information in advance of tonight's meeting. I will be presenting this plan at this afternoon's Department Head meeting, and to the Finance Committee and Select Board at tonight's meeting after the School Committee's presentation regarding their proposed budget reductions.

At your last meeting, the Board suggested we look at the impact of addressing the \$1,904,000 budget shortfall on a 60% School 40% Town basis. This would result in a reduction of the requested School Department budget of \$1,142,000 and the Town requested budget of \$762,000.

I have put forth for the Board's consideration a plan for these budget reductions, as well as a scenario for restoration of critical services with an Override of \$1,350,000 and the use of \$100,000 in Free Cash for the School budget.

The Restoration Plan still results in a reduction of the School Department's budget request by \$232,000 and the Town by \$220,000. In speaking with the School Superintendent, she is confident that she could make the proposed plan work and is prepared to support it.

In my opinion, a \$1,500,000 Override is too much to ask of the taxpayers. And, while the Town could make ends meet with at \$1,250,000 Override, the impact on School and Town operations would be significant unless we used more Free Cash to balance the budget.

If you chose the \$1,250,000 Override, we would need to provide the school \$160,000 in Free Cash for them to receive the same amount under a \$1,350,000 Override. In my opinion, this is too much Free Cash to use on an operating budget.

The list of Town operations that would be affected if a \$1,500,000 Override does not pass is a painful starting point for consideration, The Board needs to make their decision on what should be cut. I can tell you from looking over this budget for countless hours there is no place to get large amounts of money to balance the budget reduction of \$762,000.

I have not recommended cutting public safety budgets other than a 5% reduction in estimated overtime which I believe is manageable.

I looked at the Highway Department for a potential layoff but the lowest person on the seniority list is the mechanic. Cutting that position would severely impact the department's ability to operate and outsourcing that service would be very costly.

There is no room to cut the Town hall staff given their statutory obligations of the Assessors, Board of Health, Town Clerk, and Treasurer/Collector. Further, small cuts in staff would only result in minor savings.

Accordingly, I have put forth a recommendation to cut several budgets that add up to about \$248,000. The remaining cuts for \$503,000 would come from closing the Parks, COA and Library and then restoring all of those with an Override.

The Board does not have to debate the merits of these proposed cuts at tonight's meeting, but I am hopeful that all parties can reach a consensus on the amount of the Override.

The goal is to have the Select Board, School Committee and Finance Committee agree on a plan of action. That could be the plan I have put forward, or another plan that your Boards can all support. Within the next two weeks, we need you're the Select Board, School Committee and Finance Committee to agree on a game plan that will be presented to the voters.

Further, after discussing the election date with Town Clerk, we agree that the Select Board should consider May 23<sup>rd</sup> for the special election. That would allow both a budget reflecting currently available funds, as well as a contingent budget reflecting passage of a \$1,350,000 Override, to be voted at Town Meeting, with the Override put forth for voters' consideration the following week at the Special Election. If the Override succeeds and the contingent budget was approved at Town Meeting, that budget would take effect on July 1st. If the Override fails, the Town and School Department would have a little time to implement the effects of the required budget reductions.

This a very painful process, but I believe it lays out a straight-forward plan for the voters' consideration.

I am happy to answer any questions.